RENTAL MARKET REPORT

2004 Alberta Highlights

Canada Mortgage and Housing Corporation

www.cmhc.ca

Mixed Results for Alberta's Rental Markets

The trend toward first-time home buying did not translate to higher vacancies in all of Alberta's urban centres with a population of 10,000 or more. According to the results of Canada Mortgage and Housing Corporation's (CMHC) annual Rental Market Survey, six of Alberta's 13 major urban centres reported an increase in apartment vacancies in October 2004.

The largest increase in the vacancy rate occurred in Canmore where vacancies rose from 1.2 per cent in October 2003 to 3.8 per cent in October 2004. The largest decrease in vacancy rate occurred in Cold Lake where vacancies fell from 15.4 per cent to 10.6 per cent. Despite the decrease, Cold Lake continues to have the highest vacancy rate among Alberta's urban centres.

Meanwhile, Wood Buffalo/Fort McMurray boasts the lowest vacancy rate at 0.2 per cent, down from 3.5 per cent a year earlier. Tight vacancies led to an increase in average rent. The average two-bedroom apartment rent rose nine per cent in 2004 to $1,242 per month. Wood Buffalo/Fort McMurray has retained its ranking as Canada's second most expensive urban centre in which to rent. The only urban centre with higher average two-bedroom rent was Yellowknife at $1,282 per month.

The majority of Alberta cities surveyed reported an increase in average two-bedroom apartment rent. The only exception occurred in Red Deer where the average rent decreased a modest $1 per month.

Five cities – Camrose, Cold Lake, Grande Prairie, Medicine Hat and Wood Buffalo/Fort McMurray – reported average rent increases in excess of inflation. The remaining six* cities; Brooks, Calgary, Canmore, Edmonton, Lethbridge and Wetaskiwin, experienced an average rent increase below inflation.

Alberta's two Census Metropolitan Areas (CMAs), Calgary and Edmonton, saw their rental markets diverge somewhat. In Calgary, the vacancy rate and average two-bedroom rent were basically stable while Edmonton recorded increases in vacancies and rental rates.

In the Calgary CMA, the average two-bedroom apartment rent increased from $804 per month in October 2003 to $806 per month in October 2004. The minimal $2 per month increase in rent, combined with generous rental incentives and a 909-unit reduction in the apartment rental universe, helped prevent a further escalation in vacancies. After climbing to the highest rate since 1994, Calgary's apartment vacancy rate slipped marginally from 4.4 per cent in 2003 to 4.3 per cent this year.

For the third consecutive year, apartment vacancies across the Edmonton CMA rose due to a combination of strong multi-family unit construction and high levels of first-time home buying activity encouraged by low mortgage rates. The apartment vacancy rate in Metro Edmonton increased from 3.4 per cent in October 2003 to 5.3 per cent this October. Vacancies are now at the highest level since 1996. The rising supply of apartments slowed rent increases as landlords attempted to retain and attract renters. The average rent for a two-bedroom apartment inched upward by 1.1 per cent from last October to an average of $730 per month.

Due to the small universe size, average two-bedroom apartment rent is not available for Okotoks.

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Canada Mortgage and Housing Corporation conducts the Rental Market Survey in apartment buildings with three or more units annually in October in all urban centres of 10,000 population or more. To obtain information on other communities, please call 1-877-722-CMHC.

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Note: Data are based on 2001 census area definitions

Canada

CMHC SCHL

Calgary CMA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	5.7	5.7
1 Bedroom	3.4	3.9
2 Bedroom	5.2	4.9
3 Bedroom +	4.5	4.6
TOTAL	4.3	4.4

Average Apartment Rents ($)	2004	2003
Bachelor	515	508
1 Bedroom	655	661
2 Bedroom	806	804
3 Bedroom +	766	787
TOTAL	716	721

Apartment Units (2004)	Vacant	Total
Bachelor	101	1,773
1 Bedroom	707	20,960
2 Bedroom	914	17,677
3 Bedroom +	86	1,926
TOTAL	1,808	42,335

Edmonton CMA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	4.3	2.3
1 Bedroom	5.2	3.2
2 Bedroom	5.8	3.8
3 Bedroom +	4.2	4.2
TOTAL	5.3	3.4

Average Apartment Rents ($)	2004	2003
Bachelor	504	503
1 Bedroom	597	588
2 Bedroom	730	722
3 Bedroom +	804	797
TOTAL	653	645

Apartment Units (2004)	Vacant	Total
Bachelor	201	4,709
1 Bedroom	1,638	31,676
2 Bedroom	1,535	26,586
3 Bedroom +	128	3,061
TOTAL	3,502	66,032

** *Sample size not large enough to publish reliable data* N/U *No structures in the rental universe*

Brooks CA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	**	**
1 Bedroom	7.4	5.7
2 Bedroom	5.8	5.8
3 Bedroom +	0.0	6.1
TOTAL	5.8	5.7

Average Apartment Rents ($)	2004	2003
Bachelor	**	**
1 Bedroom	599	575
2 Bedroom	681	670
3 Bedroom +	703	713
TOTAL	662	650

Apartment Units (2004)	Vacant	Total
Bachelor	**	**
1 Bedroom	11	148
2 Bedroom	27	465
3 Bedroom +	0	37
TOTAL	38	653

Camrose CA

Charles Fortin, MarketAnalyst (403) 515-2902, charles.fortin@cmhc.ca

Apartment Vacancy Rates (%)	2004	2003
Bachelor	0.0	0.0
1 Bedroom	2.2	3.4
2 Bedroom	1.2	0.8
3 Bedroom +	0.0	0.0
TOTAL	1.5	1.6

Average Apartment Rents ($)	2004	2003
Bachelor	376	370
1 Bedroom	459	452
2 Bedroom	560	546
3 Bedroom +	583	598
TOTAL	526	516

Apartment Units (2004)	Vacant	Total
Bachelor	0	7
1 Bedroom	7	324
2 Bedroom	8	647
3 Bedroom +	0	22
TOTAL	15	1,000

** *Sample size not large enough to publish reliable data* N/U *No structures in the rental universe*

Canmore CA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	**	**
1 Bedroom	0.0	0.0
2 Bedroom	4.5	2.2
3 Bedroom +	**	**
TOTAL	3.8	1.2

Average Apartment Rents ($)	2004	2003
Bachelor	**	**
1 Bedroom	649	644
2 Bedroom	750	749
3 Bedroom +	**	**
TOTAL	721	717

Apartment Units (2004)	Vacant	Total
Bachelor	**	**
1 Bedroom	0	28
2 Bedroom	2	44
3 Bedroom +	**	**
TOTAL	3	79

Cold Lake CA

Charles Fortin, Market Analyst (403) 515-2902, charles.fortin@cmhc.ca

Apartment Vacancy Rates (%)	2004	2003
Bachelor	27.8	16.7
1 Bedroom	9.3	15.5
2 Bedroom	11.0	16.3
3 Bedroom +	5.4	5.4
TOTAL	10.6	15.4

Average Apartment Rents ($)	2004	2003
Bachelor	415	397
1 Bedroom	536	526
2 Bedroom	620	592
3 Bedroom +	669	642
TOTAL	589	568

Apartment Units (2004)	Vacant	Total
Bachelor	5	18
1 Bedroom	18	194
2 Bedroom	37	337
3 Bedroom +	2	37
TOTAL	62	586

** *Sample size not large enough to publish reliable data* *N/U No structures in the rental universe*

Grande Prairie CA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	4.0	0.8
1 Bedroom	4.5	2.1
2 Bedroom	2.0	3.8
3 Bedroom +	7.6	1.6
TOTAL	3.2	3.0

Average Apartment Rents ($)	2004	2003
Bachelor	532	500
1 Bedroom	646	613
2 Bedroom	766	730
3 Bedroom +	832	770
TOTAL	718	683

Apartment Units (2004)	Vacant	Total
Bachelor	5	128
1 Bedroom	41	897
2 Bedroom	30	1,508
3 Bedroom +	10	138
TOTAL	86	2,672

Lethbridge CA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	1.0	**
1 Bedroom	3.5	2.2
2 Bedroom	3.5	2.2
3 Bedroom +	**	**
TOTAL	3.4	2.6

Average Apartment Rents ($)	2004	2003
Bachelor	429	**
1 Bedroom	545	533
2 Bedroom	641	637
3 Bedroom +	**	**
TOTAL	603	594

Apartment Units (2004)	Vacant	Total
Bachelor	2	155
1 Bedroom	33	959
2 Bedroom	68	1,913
3 Bedroom +	**	**
TOTAL	107	3,129

** *Sample size not large enough to publish reliable data* N/U *No structures in the rental universe*

Medicine Hat CA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	**	**
1 Bedroom	1.8	2.6
2 Bedroom	1.1	2.5
3 Bedroom +	**	5.0
TOTAL	1.6	2.8

Average Apartment Rents ($)	2004	2003
Bachelor	**	**
1 Bedroom	461	451
2 Bedroom	568	554
3 Bedroom +	663	643
TOTAL	533	518

Apartment Units (2004)	Vacant	Total
Bachelor	**	**
1 Bedroom	15	851
2 Bedroom	16	1,504
3 Bedroom +	**	**
TOTAL	39	2,488

Okotoks CA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	N/U	N/U
1 Bedroom	**	**
2 Bedroom	**	5.7
3 Bedroom +	0.0	**
TOTAL	2.1	5.3

Average Apartment Rents ($)	2004	2003
Bachelor	N/U	N/U
1 Bedroom	**	**
2 Bedroom	**	721
3 Bedroom +	764	**
TOTAL	698	721

Apartment Units (2004)	Vacant	Total
Bachelor	N/U	N/U
1 Bedroom	**	**
2 Bedroom	**	**
3 Bedroom +	0	16
TOTAL	2	94

** *Sample size not large enough to publish reliable data* N/U *No structures in the rental universe*

Red Deer CA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	1.7	11.7
1 Bedroom	3.2	3.5
2 Bedroom	3.8	4.4
3 Bedroom +	6.0	4.2
TOTAL	3.5	4.3

Average Apartment Rents ($)	2004	2003
Bachelor	468	455
1 Bedroom	547	542
2 Bedroom	644	645
3 Bedroom +	713	715
TOTAL	601	600

Apartment Units (2004)	Vacant	Total
Bachelor	4	221
1 Bedroom	58	1,835
2 Bedroom	97	2,556
3 Bedroom +	11	176
TOTAL	170	4,788

Wetaskiwin CA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	**	**
1 Bedroom	2.3	0.9
2 Bedroom	3.5	1.0
3 Bedroom +	**	0.0
TOTAL	3.0	1.0

Average Apartment Rents ($)	2004	2003
Bachelor	**	**
1 Bedroom	442	431
2 Bedroom	531	526
3 Bedroom +	474	**
TOTAL	501	498

Apartment Units (2004)	Vacant	Total
Bachelor	**	**
1 Bedroom	5	220
2 Bedroom	17	499
3 Bedroom +	**	**
TOTAL	22	736

Wood Buffalo CA

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Apartment Vacancy Rates (%)	2004	2003
Bachelor	0.0	11.5
1 Bedroom	0.2	3.9
2 Bedroom	0.2	3.3
3 Bedroom +	1.0	1.0
TOTAL	0.2	3.5

Average Apartment Rents ($)	2004	2003
Bachelor	808	790
1 Bedroom	989	971
2 Bedroom	1,242	1,141
3 Bedroom +	1,240	1,158
TOTAL	1,156	1,082

Apartment Units (2004)	Vacant	Total
Bachelor	0	43
1 Bedroom	2	959
2 Bedroom	3	1,838
3 Bedroom +	2	208
TOTAL	7	3,048

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NATIONAL OVERVIEW

Area	2003	2004
Abbotsford CMA	2.5	2.8
Calgary CMA	**4.4**	**4.3**
Edmonton CMA	**3.4**	**5.3**
Gatineau CMA	1.2	2.1
Greater Sudbury CMA	3.6	2.6
Halifax CMA	2.3	2.9
Hamilton CMA	3.0	3.4
Kingston CMA	1.9	2.4
Kitchener CMA	3.2	3.5
London CMA	2.1	3.7
Montreal CMA	1.0	1.5
Oshawa CMA	2.9	3.4
Ottawa CMA	2.9	3.9
Quebec CMA	0.5	1.1
Regina CMA	2.1	2.7
Saguenay CMA	5.2	5.3
Saint John CMA	5.2	5.8
Saskatoon CMA	4.5	6.3
Sherbrooke CMA	0.7	0.9
St. Catherines-Niagara CMA	2.7	2.6
St. John's CMA	2.0	3.1
Thunder Bay CMA	3.3	5.0
Toronto CMA	3.8	4.3
Trois- Rivières CMA	1.5	1.2
Vancouver CMA	2.0	1.3
Victoria CMA	1.1	0.6
Windsor CMA	4.3	8.8
Winnipeg CMA	1.3	1.1
CANADA	**2.2**	**2.7**

Area	2003	2004
Abbotsford CMA	672	684
Calgary CMA	**804**	**806**
Edmonton CMA	**722**	**730**
Gatineau CMA	639	663
Greater Sudbury CMA	651	655
Halifax CMA	720	747
Hamilton CMA	778	789
Kingston CMA	768	785
Kitchener CMA	754	765
London CMA	736	758
Montreal CMA	575	594
Oshawa CMA	845	852
Ottawa CMA	932	940
Quebec CMA	567	596
Regina CMA	589	602
Saguenay CMA	457	459
Saint John CMA	504	520
Saskatoon CMA	576	580
Sherbrooke CMA	471	495
St. Catherines-Niagara CMA	704	722
St. John's CMA	607	618
Thunder Bay CMA	672	679
Toronto CMA	1,040	1,052
Trois- Rivières CMA	436	457
Vancouver CMA	965	984
Victoria CMA	789	799
Windsor CMA	776	776
Winnipeg CMA	645	664
CANADA	**728**	**745**

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